

Registration number 3575552

ENDERBY CONSTRUCTION LIMITED

ABBREVIATED ACCOUNTS

30 NOVEMBER 2006



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ENDERBY CONSTRUCTION LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2006

The directors present their report and the accounts for the year ended 30 November 2006

Principal activity and review of the business

The principal activity of the company is that of civil engineering

The company has had a satisfactory year resulting in a return to profit. Turnover has increased and margins have been generally maintained

Results and dividends

The profit for the year, after taxation, amounted to £162,890. Particulars of dividends paid and proposed are detailed in the notes to the financial statements

Directors and their interests

The directors who served during the year and their interests in the company are as stated below

| | Class of share | 30 Nov '06 | 1 Dec '05 or date of appointment |
|-------------|---|------------|--|
| J M Walsh | Ordinary shares | 100 | 100 |
| P R Tweddle | Ordinary shares | - | - |
| D A Wade | (appointed 1 February 2006) Ordinary shares | - | - |

Charitable and political contributions

During the year the company contributed £920 to charities

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

The directors of a company must, in determining how amounts are presented within items in the profit and loss account and balance sheet, have regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles and practice

ENDERBY CONSTRUCTION LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2006

-the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Robert Whowell & Partners be reappointed as auditors of the company will be put to the Annual General Meeting

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies

This report was approved by the Board on 16 August 2007 and signed on its behalf by

S Y Walsh X *Sue Y Walsh* X

Secretary

INDEPENDENT AUDITORS' REPORT TO ENDERBY CONSTRUCTION LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985
FOR THE YEAR ENDED 30 NOVEMBER 2006

We have examined the abbreviated accounts set out on pages 4 to 15 together with the financial statements of Enderby Construction Limited for the year ended 30 November 2006 prepared under Section 226 of the Companies Act 1985

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company as a body, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985 in respect of the year ended 30 November 2006, and the abbreviated accounts on pages 4 to 15 are properly prepared in accordance with that provision.

R. L. Howell & Partners

ROBERT HOWELL & PARTNERS

CHARTERED ACCOUNTANTS
REGISTERED AUDITORS

Westwood House
78 Loughborough Road
Quorn
Leicestershire
LE12 8DX

16 August 2007

ENDERBY CONSTRUCTION LIMITED
ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 NOVEMBER 2006

| | | Continuing operations | |
|---|-----------|-----------------------|------------------------|
| | | 2006 | 2005 |
| Notes | | £ | £ |
| Gross profit | | 1,001,758 | 980,191 |
| Administrative expenses | | (781,091) | (1,025,710) |
| Operating profit/(loss) | 2 | <u>220,667</u> | <u>(45,519)</u> |
| Interest payable and similar charges | 3 | <u>(13,197)</u> | <u>(29,565)</u> |
| Profit/(loss) on ordinary activities before taxation | | 207,470 | (75,084) |
| Tax on profit/(loss) on ordinary activities | 6 | (44,580) | 7,310 |
| Retained profit/(loss) for the year | 15 | <u><u>162,890</u></u> | <u><u>(67,774)</u></u> |

There are no recognised gains or losses other than the profit or loss for the above two financial years

The notes on pages 7 to 15 form an integral part of these financial statements

ENDERBY CONSTRUCTION LIMITED

ABBREVIATED BALANCE SHEET

AS AT 30 NOVEMBER 2006

| | Notes | 2006 | | 2005 | |
|--|-------|--------------------|-----------------------|--------------------|-----------------------|
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 7 | | 342,540 | | 157,230 |
| Current assets | | | | | |
| Stocks | 8 | 127,000 | | 157,200 | |
| Debtors | 9 | 2,897,243 | | 2,302,048 | |
| | | <u>3,024,243</u> | | <u>2,459,248</u> | |
| Creditors: amounts falling due within one year | 10 | <u>(2,418,844)</u> | | <u>(1,968,818)</u> | |
| Net current assets | | | <u>605,399</u> | | <u>490,430</u> |
| Total assets less current liabilities | | | 947,939 | | 647,660 |
| Creditors: amounts falling due after more than one year | 11 | | (161,673) | | (31,784) |
| Provisions for liabilities | 12 | | <u>(27,500)</u> | | - |
| Net assets | | | <u><u>758,766</u></u> | | <u><u>615,876</u></u> |
| Capital and reserves | | | | | |
| Called up share capital | 14 | | 100 | | 100 |
| Profit and loss account | 15 | | 758,666 | | 615,776 |
| Equity shareholders' funds | 16 | | <u><u>758,766</u></u> | | <u><u>615,876</u></u> |

The abbreviated accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies

The abbreviated accounts were approved by the Board on 16 August 2007 and signed on its behalf by

J M Walsh

x  x

Director

The notes on pages 7 to 15 form an integral part of these financial statements

ENDERBY CONSTRUCTION LIMITED

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 NOVEMBER 2006

| | Notes | 2006 £ | 2005 £ |
|---|-------|------------------|------------------|
| Reconciliation of operating profit/(loss) to net cash inflow from operating activities | | | |
| Operating profit/(loss) | | 220,667 | (45,519) |
| Depreciation | | 34,918 | 72,406 |
| Decrease in stocks | | 30,200 | 4,080 |
| (Increase) in debtors | | (595,195) | 77,333 |
| Increase in creditors | | 402,385 | (207,202) |
| Net cash inflow from operating activities | | <u>92,975</u> | <u>(98,902)</u> |
| Cash flow statement | | | |
| Net cash inflow from operating activities | | 92,975 | (98,902) |
| Returns on investments and servicing of finance | 18 | (13,197) | (29,565) |
| Taxation | 18 | (18,851) | (20,000) |
| Capital expenditure | 18 | 13,909 | (40,169) |
| | | <u>74,836</u> | <u>(188,636)</u> |
| Equity dividends paid | | (20,000) | - |
| | | <u>54,836</u> | <u>(188,636)</u> |
| Financing | 18 | (30,706) | (10,393) |
| Increase in cash in the year | | <u>24,130</u> | <u>(199,029)</u> |
| Reconciliation of net cash flow to movement in net debt (Note 19) | | | |
| Increase in cash in the year | | 24,130 | (199,029) |
| Cash outflow from increase in debts and lease financing | | 30,706 | 10,393 |
| Change in net funds resulting from cash flows | | <u>54,836</u> | <u>(188,636)</u> |
| New finance leases and hire purchase contracts | | (234,137) | 25,038 |
| Movement in net debt in the year | | <u>(179,301)</u> | <u>(163,598)</u> |
| Net debt at 1 December 2005 | | <u>(697,641)</u> | <u>(534,043)</u> |
| Net debt at 30 November 2006 | | <u>(876,942)</u> | <u>(697,641)</u> |

ENDERBY CONSTRUCTION LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2006

1. Accounting policies

1 1 Accounting convention

The accounts are prepared under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board

1 2 Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year

1 3 Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows

| | | |
|----------------------------------|---|-------------------|
| Leasehold improvements | - | 10% straight line |
| Plant and machinery | - | 20% straight line |
| Fixtures, fittings and equipment | - | 20% straight line |
| Motor vehicles | - | 25% straight line |

1 4 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period

1 5 Stock

Stock is valued at the lower of cost and net realisable value

1 6 Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year

1 7 Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to materialise

ENDERBY CONSTRUCTION LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2006

| | | |
|--|-------------------|-------------------|
| 2. <u>Operating profit/(loss)</u> | 2006 | 2005 |
| | £ | £ |
| Operating profit/(loss) is stated after charging | | |
| Depreciation and other amounts written off tangible assets | 75,942 | 102,420 |
| Operating lease rentals | | |
| - Plant and machinery | 1,573,959 | 1,004,959 |
| Auditors' remuneration | 10,000 | 10,000 |
| | <u> </u> | <u> </u> |
| and after crediting | | |
| Profit on disposal of tangible fixed assets | 41,024 | 30,014 |
| | <u> </u> | <u> </u> |
| | | |
| 3. <u>Interest payable and similar charges</u> | 2006 | 2005 |
| | £ | £ |
| Hire purchase interest | 12,037 | 25,038 |
| On overdue tax | 1,160 | 4,527 |
| | <u> </u> | <u> </u> |
| | 13,197 | 29,565 |
| | <u> </u> | <u> </u> |
| | | |
| 4. <u>Employees</u> | | |
| Number of employees | 2006 | 2005 |
| The average monthly numbers of employees | Number | Number |
| (including the directors) during the year were | | |
| Directors | 3 | 2 |
| Office | 4 | 4 |
| Production | 54 | 49 |
| | <u> </u> | <u> </u> |
| | 61 | 55 |
| | <u> </u> | <u> </u> |
| | | |
| Employment costs | 2006 | 2005 |
| | £ | £ |
| Wages and salaries | 1,477,349 | 1,296,433 |
| Social security costs | 153,205 | 105,812 |
| Pension costs-other operating charge | 13,333 | 14,980 |
| | <u> </u> | <u> </u> |
| | 1,643,887 | 1,417,225 |
| | <u> </u> | <u> </u> |

ENDERBY CONSTRUCTION LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2006

| 4.1. <u>Directors' emoluments</u> | 2006 | 2005 |
|--|----------------|---------------|
| | £ | £ |
| Remuneration and other emoluments | 109,821 | 68,124 |
| Pension contributions | 9,733 | 2,180 |
| | <u>119,554</u> | <u>70,304</u> |
| | Number | Number |
| Number of directors to whom retirement benefits are accruing under a money purchase scheme | <u>2</u> | <u>2</u> |

5. Pension costs

The company operates a defined contribution pension scheme in respect of directors and staff. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £13,333 (2005 - £14,980).

ENDERBY CONSTRUCTION LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2006

6 Tax on profit/(loss) on ordinary activities

| Analysis of charge in period | 2006 | 2005 |
|--|----------------------|-----------------------|
| | £ | £ |
| Current tax | | |
| UK corporation tax at 19% (2005 - 19%) | 17,080 | (7,862) |
| Adjustments in respect of previous periods | - | 552 |
| Total current tax charge | <u>17,080</u> | <u>(7,310)</u> |
| Deferred tax | | |
| Timing differences, origination and reversal | 27,500 | - |
| Total deferred tax | <u>27,500</u> | <u>-</u> |
| Tax on profit/(loss) on ordinary activities | <u><u>44,580</u></u> | <u><u>(7,310)</u></u> |

Factors affecting tax charge for period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK (19%). The differences are explained below

| | 2006 | 2005 |
|---|----------------------|-----------------------|
| | £ | £ |
| Profit/(loss) on ordinary activities before taxation | <u>207,470</u> | <u>(75,084)</u> |
| Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2005 - 19%) | 39,419 | (14,266) |
| Effects of: | | |
| Expenses not deductible for tax purposes | 1,269 | 4,372 |
| Capital allowances for period in excess of depreciation | (23,608) | 2,032 |
| Adjustments to tax charge in respect of previous periods | - | 552 |
| Current tax charge for period | <u><u>17,080</u></u> | <u><u>(7,310)</u></u> |

ENDERBY CONSTRUCTION LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2006**

| 7. <u>Tangible fixed assets</u> | <u>Leasehold</u> | <u>Plant and fittings and</u> | <u>Fixtures,</u> | <u>Motor</u> | <u>Total</u> |
|---------------------------------|---------------------|-------------------------------|------------------|-----------------|--------------|
| | <u>improvements</u> | <u>machinery</u> | <u>equipment</u> | <u>vehicles</u> | |
| | £ | £ | £ | £ | £ |
| Cost | | | | | |
| At 1 December 2005 | 1,395 | 293,390 | 18,805 | 219,640 | 533,230 |
| Additions | - | 275,069 | 3,085 | 17,499 | 295,653 |
| Disposals | - | (147,000) | - | (700) | (147,700) |
| At 30 November 2006 | 1,395 | 421,459 | 21,890 | 236,439 | 681,183 |
| Depreciation | | | | | |
| At 1 December 2005 | 275 | 215,698 | 16,938 | 143,089 | 376,000 |
| On disposals | - | (112,600) | - | (699) | (113,299) |
| Charge for the year | 140 | 43,533 | 1,708 | 30,561 | 75,942 |
| At 30 November 2006 | 415 | 146,631 | 18,646 | 172,951 | 338,643 |
| Net book values | | | | | |
| At 30 November 2006 | 980 | 274,828 | 3,244 | 63,488 | 342,540 |
| At 30 November 2005 | 1,120 | 77,692 | 1,867 | 76,551 | 157,230 |

Included above are assets held under finance leases or hire purchase contracts as follows

| Asset description | 2006 | | 2005 | |
|---------------------|-------------------|-------------------------|-------------------|-------------------------|
| | <u>book value</u> | <u>Net Depreciation</u> | <u>book value</u> | <u>Net Depreciation</u> |
| | £ | £ | £ | £ |
| Plant and machinery | 235,219 | 8,581 | - | - |
| Motor vehicles | 58,691 | 19,527 | 75,081 | 22,235 |
| | <u>293,910</u> | <u>28,108</u> | <u>75,081</u> | <u>22,235</u> |

| 8. <u>Stocks</u> | 2006 | 2005 |
|-------------------------------------|----------------|----------------|
| | £ | £ |
| Finished goods and goods for resale | <u>127,000</u> | <u>157,200</u> |

ENDERBY CONSTRUCTION LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2006

| | | |
|--------------------------------|------------------|------------------|
| 9. <u>Debtors</u> | 2006 £ | 2005 £ |
| Trade debtors | 2,751,740 | 2,213,639 |
| VAT recoverable | 114,621 | 65,496 |
| Other debtors | 11,375 | - |
| Prepayments and accrued income | 19,507 | 22,913 |
| | 2,897,243 | 2,302,048 |

| | | |
|--|------------------|------------------|
| 10. <u>Creditors: amounts falling due within one year</u> | 2006 £ | 2005 £ |
| Bank overdraft | 611,021 | 635,151 |
| Net obligations under finance leases and hire purchase contracts | 104,248 | 30,706 |
| Trade creditors | 1,465,976 | 1,093,583 |
| Corporation tax | 17,080 | 18,851 |
| Other taxes and social security costs | 141,108 | 97,114 |
| Directors' accounts | 15,567 | 11,990 |
| Other creditors | 45,806 | - |
| Accruals and deferred income | 18,038 | 81,423 |
| | 2,418,844 | 1,968,818 |

The bank overdraft is secured by a debenture over the company's assets dated 19 April 2003

The hire purchase liabilities are secured

| | | |
|--|------------------|------------------|
| 11 <u>Creditors: amounts falling due after more than one year</u> | 2006 £ | 2005 £ |
| Net obligations under finance leases and hire purchase contracts | 161,673 | 31,784 |
| | 161,673 | 31,784 |

The hire purchase liabilities are secured

ENDERBY CONSTRUCTION LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2006

12. Provisions for liabilities

| | Deferred taxation (Note 13) £ | Total £ |
|-----------------------|--|--------------------|
| Movements in the year | 27,500 | 27,500 |
| At 30 November 2006 | <u>27,500</u> | <u>27,500</u> |

13. Provision for deferred taxation

| | 2006 £ | 2005 £ |
|--|-------------------|-------------------|
| Accelerated capital allowances | <u>27,500</u> | <u>-</u> |
| Deferred tax charge in profit and loss account | 27,500 | |
| Provision at 30 November 2006 | <u>27,500</u> | |

14. Share capital

| | 2006 £ | 2005 £ |
|--|-------------------|-------------------|
| Authorised equity | | |
| 100 Ordinary shares of £1 each | <u>100</u> | <u>100</u> |
| Allotted, called up and fully paid equity | | |
| 100 Ordinary shares of £1 each | <u>100</u> | <u>100</u> |
| Equity Shares | | |
| 100 Ordinary shares of £1 each | <u>100</u> | <u>100</u> |

ENDERBY CONSTRUCTION LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2006

| 15. <u>Equity Reserves</u> | Profit and loss <u>account</u> £ | <u>Total</u> £ |
|-------------------------------------|---|---------------------------|
| At 1 December 2005 | 615,776 | 615,776 |
| Retained profit/(loss) for the year | 162,890 | 162,890 |
| Equity dividends | (20,000) | (20,000) |
| At 30 November 2006 | <u>758,666</u> | <u>758,666</u> |

| 16. <u>Reconciliation of movements in shareholders' funds</u> | 2006 £ | 2005 £ |
|--|-------------------|-------------------|
| Profit/(loss) for the year | 162,890 | (67,774) |
| Dividends | (20,000) | - |
| | <u>142,890</u> | <u>(67,774)</u> |
| Opening shareholders' funds | 615,876 | 683,650 |
| Closing shareholders' funds | <u>758,766</u> | <u>615,876</u> |

17. Transactions with directors

During the year the company purchased goods from Enderby Building Services in the sum of £347,900 and sold fixed assets to Enderby Building Services in the sum of £75,425. Enderby Building Services is a business operated by J M Walsh, the shareholder and a director of Enderby Construction Limited. The transactions were conducted under normal commercial terms.

Also during the year the company paid £6,000 in rent to J M Walsh under normal commercial terms.

ENDERBY CONSTRUCTION LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2006

18. Gross cash flows

| | 2006 | 2005 |
|---|-----------------|-----------------|
| | £ | £ |
| Returns on investments and servicing of finance | | |
| Interest paid | (13,197) | (29,565) |
| Taxation | | |
| Corporation tax paid | (18,851) | (20,000) |
| Capital expenditure | | |
| Payments to acquire tangible assets | (61,516) | (92,979) |
| Receipts from sales of tangible assets | 75,425 | 52,810 |
| | <u>13,909</u> | <u>(40,169)</u> |
| Capital element of finance leases and hire purchase contracts | <u>(30,706)</u> | <u>(10,393)</u> |

19. Analysis of changes in net funds

| | <u>Opening</u> <u>balance</u> | <u>Cash</u> <u>flows</u> | <u>Other</u> <u>changes</u> | <u>Closing</u> <u>balance</u> |
|--|----------------------------------|-----------------------------|--------------------------------|----------------------------------|
| | £ | £ | £ | £ |
| Overdrafts | (635,151) | 24,130 | - | (611,021) |
| Finance leases and hire purchase contracts | (62,490) | 30,706 | (234,137) | (265,921) |
| Net funds | <u>(697,641)</u> | <u>54,836</u> | <u>(234,137)</u> | <u>(876,942)</u> |